

01 AUG 31 AM 10 16

EXECUTIVE SECRETARY  
Docket No. 97-00309

from 1996 through 2001.

**CAPD Position** - This information is relevant because revenue change is a cross-check on the profit level (see Item 1 above for the relation between profit and competition). Depending on competitive circumstances, revenues would move in the same or opposite direction.

3. In a spreadsheet, provide a list of services currently offered by BellSouth in Tennessee and the current price for each service. If any service now has a price that is lower than it was in 1998, 1999 or 2000, indicate what the old price was, the year it applied to the service, and provide the ratio of the old price to the current price.

**CAPD Position** - This information is relevant because price declines, or the absence thereof, for several of BellSouth's services would indicate a market presence of competitive providers in that service product. For the relevance of competition, see Item 1 above.

4. In the spreadsheet listing services now offered in Tennessee, provide the percentage of annual revenues accounted for by the service during the year 2000; for example, if a certain service provided \$50 million in revenue and the company's Tennessee revenues were \$500 million, then the percentage is 10%.

**CAPD Position** - This information is relevant because it indicates the services responsible for BellSouth's revenue; when analyzed in conjunction with the responses to Items 1-3, this information indicates which BellSouth services face competitors and which do not. For the relevance of competition, see Item 1

above.

5. For each year from 1996 through 2001, provide the number of local loops BellSouth owned in Tennessee.

**CAPD Position** - This information is relevant because the number of BellSouth loops provide a reference point to indicate what percentage of local hoops are being used by CLECs, i.e., the level of competition. For the relevance of competition, see Item 1 above.

6. In Tennessee for each year from 1996 through 2001, provide the number of BellSouth-owned local loops capable of supporting Digital Subscriber Line (“DSL”) Service.

**CAPD Position** - This information is relevant because the number of loops providing DSL service indicates the potential size of Tennessee’s market for broadband services, no matter who offers the service - BellSouth or CLECs. Such services are expected to be BellSouth’s main source of revenue growth because other services in Tennessee are subject to price caps.

7. In Tennessee, for each year from 1996 through 2001, provide the number of DSL subscribers that BellSouth served.

**CAPD Position** - This information is relevant because it will help determine whether BellSouth is serving the public interest by delivering broadband services.

8. For each year from 1996 through 2001, provide the number of BellSouth-owned local loops in Tennessee, where a competitor is delivered DSL service over BellSouth’s loop.

**CAPD Position** - This information is relevant because it will help determine if CLECs are getting effective access to BellSouth loops, so CLECs can offer broadband services.

9. For each year from 1996 through 2001, provide the number of BellSouth-owned local loops in Tennessee, where a competitor is delivered "Plain Old Telephone Service" over BellSouth's loop. Access by competitors is crucial in determining whether there is effective competition.

**CAPD Position** - This information is relevant because it will help determine if CLECs are getting effective access to BellSouth loops, so they can offer voice services.

10. Provide an estimate of the annual revenues BellSouth believes it has lost to competitors in Tennessee, for each year from 1996 through 2001. Regarding the data provided, indicate what services accounted for the lost revenues and who the competitors are.

**CAPD Position** - This information is relevant because lost revenues indicate the degree of competitive pressure faced by BellSouth. If the answer is "None" that is a sufficient answer.

11. For services currently provided by BellSouth in Tennessee, indicate which services will have their prices reduced when BellSouth offers Interlata service in Tennessee.

**CAPD Position** - This information is relevant because under price caps, BellSouth has the option of reducing prices to residential and perhaps small

business customers. This information indicates whether local customers will benefit by BellSouth offering long distance service.

12. Has competition in Tennessee caused BellSouth to delay equipment purchases or discharge personnel? If the answer is 'yes' provide the dollar value of the equipment, the dollar value of the compensation that was avoided by discharging the personnel.

**CAPD Position** - This information is relevant because it will indicate the negative impact, if any, of competition on BellSouth's hiring and equipment purchases, thus verifying the presence of competition of BellSouth's Tennessee market.

13. Has competition in Tennessee caused BellSouth to make equipment purchases or add personnel? If the answer is 'yes' provide the dollar value of the equipment, the dollar value of the compensation for adding the personnel.

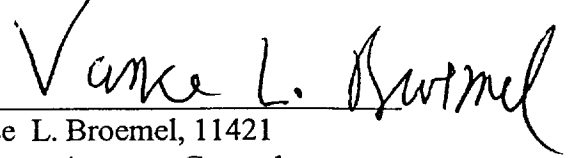
**CAPD Position** - See Item 12 above. If competitors have caused BellSouth to add personnel and equipment, it can substantiate it.

14. Has competition affected the price of BellSouth's common stock? If the answer is 'yes', provide any study or report prepared by BellSouth or its consultants, to support your answer.

**CAPD Position** - This information is relevant because relative changes in market price indicate the market's overall assessment of a company's value - BellSouth's response would indicate if it considers competition to be a significant factor influencing investment or disinvestment in the Company, and whether the investors perceive BellSouth as operating in a competitive market. For the

importance of local competition, see Item 1 above.

Respectfully submitted,

A handwritten signature in black ink that reads "Vance L. Broemel". The signature is written in a cursive style with a large, stylized "V" at the beginning.

Vance L. Broemel, 11421  
Assistant Attorney General  
Consumer Advocate and Protection Division  
Office of the Attorney General  
Post Office Box 20207  
Nashville, Tennessee 37202  
(615) 741-8700

48239

### CERTIFICATE OF SERVICE

I hereby certify that on August 31, 2001, a copy of the foregoing document was served on the parties of record via US Mail, addressed as follows:

<input type="checkbox"/> Hand	H. LaDon Baltimore, Esq.
<input checked="" type="checkbox"/> Mail	Farrar & Bates
<input type="checkbox"/> Facsimile	211 Seventh Avenue., N. #320
<input type="checkbox"/> Overnight	Nashville, TN 37219-1823
<input type="checkbox"/> Hand	Charles B. Welch, Esq.
<input checked="" type="checkbox"/> Mail	Farris, Mathews, et al.
<input type="checkbox"/> Facsimile	205 Capitol Blvd., #303
<input type="checkbox"/> Overnight	Nashville, TN 37219
<input type="checkbox"/> Hand	Henry Walker, Esq.
<input checked="" type="checkbox"/> Mail	Boult, Cummings, et. al.
<input type="checkbox"/> Facsimile	P. O. Box 198062
<input type="checkbox"/> Overnight	Nashville, TN 37219-8062
<input type="checkbox"/> Hand	Dulaney O'Roark, Esq.
<input checked="" type="checkbox"/> Mail	MCI WorldCom, Inc.
<input type="checkbox"/> Facsimile	Six Concourse Parkway, #3200
<input type="checkbox"/> Overnight	Atlanta, GA 30328
<input type="checkbox"/> Hand	James P. Lamoureux
<input checked="" type="checkbox"/> Mail	AT&T
<input type="checkbox"/> Facsimile	1200 Peachtree St., NE., #4068
<input type="checkbox"/> Overnight	Atlanta, GA 30367
<input type="checkbox"/> Hand	Donald L. Scholes
<input checked="" type="checkbox"/> Mail	Branstetter, Kilgore, et. al.
<input type="checkbox"/> Facsimile	227 Second Avenue., N.
<input type="checkbox"/> Overnight	Nashville, TN 37219
<input type="checkbox"/> Hand	Enrico C. Soriano
<input checked="" type="checkbox"/> Mail	Kelley, Drye & Warren
<input type="checkbox"/> Facsimile	1200 19 <sup>th</sup> St., NW., #500
<input type="checkbox"/> Overnight	Washington, DC 20036
<input type="checkbox"/> Hand	James Wright, Esq.
<input checked="" type="checkbox"/> Mail	United Telephone - Southeast
<input type="checkbox"/> Facsimile	14111 Capitol Blvd.
<input type="checkbox"/> Overnight	Wake Forest, NC 27587

☐ Hand  
☒ Mail  
☐ Facsimile  
☐ Overnight

☐ Hand  
☒ Mail  
☐ Facsimile  
☐ Overnight

☐ Hand  
☒ Mail  
☐ Facsimile  
☐ Overnight

☐ Hand  
☒ Mail  
☐ Facsimile  
☐ Overnight

Guilford Thornton, Esq.  
Stokes & Bartholomew  
424 Church Street  
Nashville, TN 37219

D. Billye Sanders, Esq.  
Waller, Lansden, Dortch & Davis  
511 Union Street, #2100  
Nashville, TN 37219-1750

Andrew O. Isar, Esq.  
ASCENT  
3220 Udddenberg Lane, NW  
Gig Harbor, WA 98335

Jon E. Hastings, Esq.  
Boult, Cummings, et. al.  
P. O. Box 198062  
Nashville, TN 37219-8062

Vance L. Swenel